

. . . . . The CIA RETIREMENT BOARD convened on Thursday,  
25 March 1965, at 3:00 p.m., in room 5E62 HQ, with the following present:

	Mr. Emmett D. Echols, Chairman
25X1A9a	[REDACTED] DP
	[REDACTED], DDP
	[REDACTED] DDP
25X1A9a	Mr. Paul Borel, DDI
	[REDACTED] DDI
	Mr. George C. Miller, DDS&T
	Mr. Alan Warfield, DDS
25X1A9a	[REDACTED] DS
	[REDACTED] Technical Adviser
	[REDACTED] Finance Adviser
	[REDACTED] Executive Secretary
	[REDACTED] Recording Secretary

MR. ECHOLS: Are there any additions or corrections anyone would like to make to the minutes? (No response.)

If I may, I'd like to make a couple of general comments, then.

First, I had promised to get to you the minutes prior to the meeting, and we did not do so last week, although it is our intention to do so in the future well in advance of the meeting in order to give you a chance to look at them before you come to the meeting. In addition, I'd like to say that after the last meeting I had some discussions with several of you, and in reading over the minutes of the meeting I reached the conclusion that maybe I've gotten us off to a very poor start in our task here. I think perhaps because I have lived with this thing so closely for three years and, in fact, I'm very eager to get going with the implementation of the thing, I assumed that with a background statement and some background reading material that we would all have an instantaneous common background and understanding, and that we could start to look at our procedures and start to screen people for designation as participants in this system. I had thought then as problems came up we could explore it more in detail and develop standards for things like overseas service, and gradually build up an absolutely common understanding and accord. I think now, and I feel now -- and I'd like your opinions -- I think I probably was way in error and I rushed into this too fast.

~~CONFIDENTIAL~~

I'd like to suggest a new course of action for your consideration.

It seems to me that our immediate task is to develop an absolute unanimity of understanding as to what our retirement law says, and also an understanding as to the feelings and intentions of Congress when they wrote in certain provisions, limitations, restrictions, and just what kind of a piece of legislation do we have -- what does it all mean -- I think that is our immediate task. And secondly, and perhaps even more important - or equally important, certainly, I think we ought to reach an absolute unanimity of opinion as to what our regulations, as drafted, mean. I think the only way we can possibly do this is to go through these things paragraph by paragraph, and ask questions, ask for interpretations, dig out some of the answers and kick them around -- in some cases decide for ourselves, what does this mean? - whether there is any latitude. To do this -- if I am right -- is going to be a very time-consuming process, and it's something we can't do a couple of hours once a week, in my opinion. It was suggested by somebody that perhaps we ought to either work regularly on this a couple of hours a day for as long as it takes, or we've got to go down to [REDACTED] for a day or two days, or to [REDACTED] or to [REDACTED] - is that another place? -- where you can hide yourself away in comfort and really bone up on [REDACTED] something. I think if we were to do this -- and I don't care how or where we do it -- that this is the quickest way we could build up an absolute understanding.

I know myself there are so many things that we haven't told you -- there hasn't been an opportunity to tell you. For example, I don't think that perhaps any of you know that regulations generally -- in a conceptual form, in any event -- had been written up and were presented concurrently with our legislation. And one of the great objections of Congress was: this law is so loose -- we can't come to grips with it -- how can we come to grips with it? And we had to point out that for security and other reasons we couldn't spell out the details in the legislation -- and we didn't -- and they accepted this. And of course this is why they wrote in the provision that our regulations had to be approved by a Congressional Committee, and so on. In effect our regulations, by incorporation, in my opinion are literally at

this moment an integral part of the legislation. I don't think I have ever said this to you before. It's a piece of background that I think is very important to you. But it's this kind of thing that I think we have to develop a common understanding on before we can really go forward. Your questions, your fears, your doubts, in my opinion are perfectly legitimate, but I think they represent the very thing that I am concerned about - our lack of unanimity of background information, and so on.

Now, would anybody like to comment on this suggestion of a concentrated attack on developing a common background?

25X1A9a [REDACTED] I find as I try to do a little homework, I find some little twist each time that I was not aware of before. So I think it would be all to the good. For example, I came up today checking to see whether the signing of this statement was one of the prerequisites for joining. It wasn't in the bill, but it was in the regulation. Well, it's sort of a gimmick that bothers us. In other words, following Jim's idea I tried to develop how could we go out to the field to just follow through -- designate people, get all the information down, make our assumptions - we think this is qualifying service -- let the Board deny it, if they want to -- but then ultimately you have to go to the man, if he's in the field, and say: We now have the whole package together, we are ready to recommend you for this designation, please sign the attached sheet. Here is where I see our various senior people in the field asking: Do I have to sign it?

So then I looked in the bill, and it wasn't in the bill -- and I wondered why it was put in the regulation. So possibly going through these points one by one will help to clarify it. I know it's in the Senate report here, but even there I thought - well, okay, we could say: If you don't want to sign it, return it, with a statement as to why you don't. And then maybe we would get four of these or maybe we would get 400, and depending on what happens we would know how to approach it.

MR. ECHOLS: There is a long history right behind this very point -- and again, as you say, it's not in the bill, yet it's in the regulation -- why? Yet I

don't believe we have any choice whatsoever -- I feel that it must be part of our procedures.

25X1A9a [REDACTED] Emmett, the conversations here are really not very productive, because we are all talking about being informed. It seems to me we ought to at least give a try to your [REDACTED] putting the Act in front of you and talking about it, giving your interpretations, before we go off for the 48 hour period or something in the country -- because I for one would find it very difficult to do this right now.

25X1A9a [REDACTED] I'm not at all sure we are going to find that many areas of controversy.

25X1A9a [REDACTED] I'm not either. I think there are a few.  
MR. ECHOLS: As I say, I'm perfectly willing to have meetings several times a week, if desirable, or at night, or Saturdays and Sundays -- I don't care -- but I feel we have to get on with the job.

25X1A9a [REDACTED] If it's going to take a lot of time I personally would prefer to devote a day to it right here, rather than a series of daily meetings, partly because I have to come from town but partly because I could better organize my other work to permit one day away from it, and get all of this out of the way. I think that would also be advantageous in that it would get us all on the same track sooner than a long series of daily meetings extending over a period of a week or two weeks.

MR. ECHOLS: Alan?

MR. WARFIELD: I find that as I think about this -- subconsciously, as I read along -- I think a lot of my thoughts [REDACTED] are crystallized on this -- and you read through all the mass of material and you walk [REDACTED] away from it with very strong ideas about what was intended, notwithstanding having read it. But I don't think much would be gained by a long brainstorming session.

MR. ECHOLS: Okay. Maybe I was unnecessarily discouraged.

MR. WARFIELD: Would you undertake to answer specific questions --

specifically, what do these words mean. Because there aren't very many questions, but I think all of us have identified ~~perhaps~~ perhaps about the same 15. If you would entertain questions and undertake to answer them--

MR. ECHOLS: Yes, and if we can't completely satisfy you on any one of them at any one meeting, we can really staff out the question and give you the full answer the next time, if that would be all right.

Well, on that basis, then, I guess we can just go ahead and tackle our agenda. The very first item, really, which has been raised at our two previous meetings, is Jerry wanted to know just what is the role of this Committee. The regulations certainly hint at it, but we wanted to be more specific -- and these have been handed out, so if you would like to take a couple of minutes to read this, I can discuss this with you.

You may be too polite to ask the question as to why the word "normally" is in the regulation, but I'll be glad to answer that. I've been writing regulations for 20 years around this place and I've ~~always~~ always thrown in a "normally" to give myself or whoever is involved in the Agency the latitude to do something, not have a stringent road map. But it means nothing other than flexibility. "The Director of Personnel shall normally obtain the advice of the Board--" -- indeed, this is my intention. I'd be foolish to do anything else. At the same time, if the Director of CIA calls me on the ~~phone~~ telephone and says, "Retire So & So", I doubt very much if I'm going to call a Board meeting and seek the advice of the Board.

MR. WARFIELD: Doesn't this also answer Jerry's question: isn't it possible to circumvent the Board?

MR. ECHOLS: I think unquestionably this could be done. Certainly it's permissively written in the regulations. However, this Board -- as I indicated at the last meeting, you are the representatives of the Director in this program. And obviously, should I, with the authorities delegated to me -- which are not very great, actually -- should I function, perform, without the authority of the Board, since the decision I make has to go to the Director I would certainly let him know that I had done so without the participation of his Board. So I don't think there is

any point of sensitivity here in practical life at all.

Are there any comments on this?

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[REDACTED] Naturally, what I had in mind basically was whether the Board was to be used as a rubber stamp or as a front for independent action.

MR. ECHOLS: Let me speak to that, Jerry. It seems to me that the essence of this retirement system is that we have said to Congress we have no way of determining in advance those employees of our Agency who deserve these benefits nor those who might need these special benefits by reason of situations beyond their control -- we can't do it in advance. We also said that we cannot define with precision the circumstances of service, conditions of service, the hardships, the stresses and the strains that will justify an individual being in this system and deriving the benefits therefrom. Our range of duties and circumstances are so diverse, and our careers of our people are so fluctuating -- one year they're in this assignment, the next year in another assignment -- that we can only do this on a subjective basis, and using good faith, integrity, and knowledge as to what this man's duties have involved, what his stresses and strains have been. If we are talking about qualifying service in the United States -- as is permissible here -- 25X1C whether this particular type of duty as [REDACTED] instructor, or something like that, does it involve stresses and strains comparable to those overseas. Those things are all subjective judgments. And in my opinion the Board is going to have a vital role, a very active role in some of these difficult cases that are going to come up, which in turn will become precedent establishing to a certain extent, and I think the task will gradually become easier for the Board, whereas the initial task might be quite difficult. But in no way do I look upon the Board's activities as ever becoming a rubber stamp -- I don't see how it could and preserve our integrity in the administration of this program.

Any other comments on this paper? (No response.)

I think the key question that has bothered everybody from the

beginning is whether or not participation in this program is to be optional. As a matter of fact, when this question was first posed I was a little bit shocked, because I've spent several years with Congress fighting off: how are we going to prevent people from getting into this system and getting all these goodies, who may not be deserving thereof. So this was a sudden about switch that no one ever contemplated.

So, on the question as to whether or not the system is to be optional with the individual, I'd like to give you my honest opinion. In the eyes of Congress there is nothing optional about this; in the eyes of the Agency officials who presented our case to Congress, they never contemplated that this would be a matter of option to the individual, whatsoever.

I think when you read the testimony here -- [REDACTED] 25X1A9a  
says (reading): "The problem [REDACTED] raises, and I think the problem we have  
got to know the answer to, is [REDACTED] this, . . . . (reading) . . . . 25X1A9a

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[REDACTED] That was mine, too."

Now I'd like to refer you to Section 203 - Participants, of the actual Act itself -- I beg your pardon, the Section Analysis in the Senate Report. It says: "This Section sets forth the legislative standards for determining the employees who would be participants in the retirement system authorized by the bill . . . . (reading) . . .

without further approval by the Director."

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[REDACTED] Don't you feel that the inclusion of this requirement that the man has to sign a statement is one thing that seems to carry with it a connotation of option?

MR. ECHOLS: I'd like to make a rather lengthy discourse, I think, on this option business. First, this retirement program is in essence nothing more and nothing less than the Civil Service retirement system, basically. However, it is infinitely better in two respects, and it only has one minor defect or disadvantage, if you will, which, as I will show you later, is in fact no disadvantage at all. The improvements are simply these: that if a person retires under this system - the CIA system - with 10 or more years' service, he gets a higher multiplier - to wit: a straight 2% times high five salary for each year of service -- whereas under the Civil Service, as you know, for the first 10 years you get less than a straight 2%. The difference is 3.75% (and high five). So that is a significant improvement in the overall formula for computing the annuity.

Now the other major difference, and the real difference that we were after, is the absence of any penalty for retirement between the ages of 50 and 60. It matters not whether this retirement is optional, or whether it is directed or involuntary, there is no penalty for being under age 60, as there is under the Civil Service -- and this penalty at age 50 is 15% under Civil Service, and it graduates up to zero at age 60 -- precisely, it's 1% for the first five years below 60, and 2% for each year thereafter. Now, this is a tremendous thing that any employee in government would want, if he could get it -- any employee would want this. I'd love to have it. (a) I would have the option to retire at 50, should I desire; and (b) I could do so with a 15% greater annuity -- although I don't even have that option under Civil Service -- it has to be involuntary, discontinued service, with certain minimal service requirements. So I don't think anybody ever dreamed that anybody in their right mind would prefer not to enter this system. And I would submit to you that any person who would prefer to remain out of this system is either ignorant of the comparison between the two systems, is very suspicious and fearful of the intentions of the Agency, and fears, erroneously, that this new system, because of its wording, offers him less job security or tenure than he has today under Civil Service.



Now in fact, as I said before, there is nothing in this new bill detrimental to the individual, barring one minor thing. This bill does not in any way decrease an individual's job tenure or security -- not one bit -- as was evidenced, I might add, by our previous 701 exercise, which was conducted and carried out presumably for the exact same reasons -- that we might in some future years suggest to some of our people that they retire -- the exact same reasons and the exact same legislative authority is involved. So the new bill in no way lessens anyone's job security. So what do you really have here? I wouldn't deny for one moment that many of our people think the new bill might be detrimental to their interests, but I submit to you that they are uninformed. But this doesn't correct the situation, so the only way I know of to cope with this situation is: (a) a low key educational program; (b) when individual cases of misunderstanding or fear develop, I would think [REDACTED] counselling of the individual by his Career Service, reassuring him and explaining to him the facts of life here; and (c) - and this probably is, with some people, the only proof of the pudding -- no matter [REDACTED] what you tell them, they won't believe it -- some are going to have to learn by experience that their worst fears didn't materialize and only then will they probably admit that they were wrong all the time. But I would submit that even if a man thought that his tenure in the Agency was very tenuous, he is going to bitch about any [REDACTED] system -- he's going to bitch about 701, he's going to bitch about the fact that we have a retirement bill which says that the Director may indeed direct his retirement.

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[REDACTED] What is the minor disadvantage that you mentioned?

MR. ECHOLS: The minor disadvantage is simply this. This bill being an early retirement bill has a maximum creditable years of service of 35, and the Civil Service has a maximum creditable service years of 40, and, in addition, under the Civil Service if you remain in service beyond that your continuing participation is counted as voluntary contributions. So, there is this difference.

Now it is a fact, I think, that in this Agency particularly, and in fact in the government in general, the number of people who will have more than

35 years' service upon retirement is rather slight. Now this leads me -- as I said, this is really not a [REDACTED] material point, and I'd like to go on to that because it goes on to another one of the questions that you people raised. There is this matter of a vested right to remain in the system as long as you are an employee of CIA, if you so elect, upon completion of 15 years of service, and if you are a participant in the new system at that time. Now I haven't checked this with

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[REDACTED] and I think he initially will dispute this, but in my mind - my simple mind - if you elect something - If you are to have an election you must have a choice between at least two things, not just one. So the election, in my opinion, would be to remain in this system, even though you may transfer elsewhere in CIA -- even though you may get out of intelligence operations completely and become a graphics aids man down here in OCI, or [REDACTED] something like that -- but you can elect to remain in that system for the balance of your employment in CIA. Now if you retire from CIA you would retire under this retirement program had you [REDACTED] made such an election. I think also a man has the election at that 15 year period to get out of this system -- but I would submit to you that in fact and in practice no man would so elect - again, unless he is utterly ignorant as to the relative benefits of the two systems -- unless some changes take place in the Civil Service retirement system which suddenly make it very advantageous to him, or unless to a given individual this ability to get more than 35 years' credit is immediately at hand at the time he makes that election -- and I don't think this is conceivable.

Now, there is in the testimony here quite conclusive evidence, in my opinion -- although the bill doesn't say so -- that in addition to this election to remain in this system or to get out and go back into Civil Service -- the bill only [REDACTED] specifically speaks to the election to stay in -- there is no question in my mind that we must offer the man another election, and that is the election to switch over to Civil Service at the time of his ultimate retirement if so doing is to his advantage. And I'd like to read the testimony--

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[REDACTED] We went to them with language that said the fellow who had 15 years' service and was a participant shall remain a participant, and the

part Mr. Echols is going to read is where they took us up on it and said under some circumstances would it not be an advantage to the man not to remain under it, and should he not have an election.

MR. ECHOLS: Section 203 is quoted here, and it winds up:

(reading) "Any officer who . . . . . (reading) . . .

Why don't we ask the General?"

I think this makes it quite clear that they didn't want to force this man by his election to be locked into our retirement system if it should be to his advantage to retire under some other system.

25X1A9a [REDACTED] What would prevent him, if the Director said -

"All right, you are now 50, you have had 20 years of service, you will retire--" -- from saying, "I'll switch to the Civil Service retirement system now."

MR. ECHOLS: That is the point I'm trying to make to you -- if the Director says, "You are going to retire", you are going to retire, period.

25X1A9a [REDACTED] It's subject to the approval of the Director, the switch--

MR. BOREL: Switch to [REDACTED] Civil Service and retire.

MR. ECHOLS: All right, if he wants to switch to Civil Service and retire he gets ex-percent less annuity -- no person in their right mind would elect to switch to Civil Service.

25X1A9a [REDACTED] Your point is the Director could retire him at 50 either way.

MR. ECHOLS: Either way -- in the one case he would get an annuity, in the other he would get a discontinued Civil Service annuity--

25X1A9a [REDACTED] They don't call it retirement, but if you're involuntarily separated at age 50 with 20 then you become eligible for an annuity, but it's reduced <sup>15</sup> (50%) if you're age 50.

25X1A9a [REDACTED] No question about the Director's authority to put a man

out at 50 with 20 years' service under the Civil Service retirement system--

25X1A9a [REDACTED] Actually he is putting them out under 102(c) of the National Security Act, and he can draw an annuity from the Civil Service retirement system.

25X1A9a [REDACTED] It seems to me the trouble conceptually really arises because there are two authorities on the books where the Director can bring about involuntary retirement. Now psychologically it would have been much better if we had just stuck with the one already on the books, so that this system would become an advantage. Because in spite of everything you say, Emmett, there are some misconceptions in the Agency which you're going to have to correct. One is that the 701 exercise was not generally regarded by the management as a useful exercise. General Carter is widely quoted on this -- he has spoken from the platform on it -- as long as he is here there will never be another 701 - quote and unquote. So this is an agreed idea -- it may be a false one, but it's widely accepted. The second concept is that the Director of Central Intelligence has had the authority to eliminate anybody at any time for how many years? - 15? 17? It has been used once -- other than for individual cases - for this individual and that one -- but for any reduction in force purpose it has been used once--

MR. ECHOLS: Three times, really -- once in OTR, once in the Management Staff, and once in the DD/P.

MR. BOREL: Psychologically--

25X1A9a [REDACTED] Psychologically it has been used once.

MR. BOREL: A man in the new system now would feel that he might be retired under that system whereas if he were under the other he would not be pressed out -- that is the new thing.

MR. ECHOLS: This is the hurdle that has got to be overcome, no question about it.

25X1A9a [REDACTED] Is this true or isn't it true -- is it our intent -- and this gets into the philosophy of this whole exercise -- is the intent to bring

about early implementation of this Act for the specific purpose of cutting down our 40 to 50 hump?

MR. ECHOLS: I can't speak authoritatively on this -- Jerry can speak much more so than I can -- but for his part of the Agency, where the predominant number of employees in this activity would be, I wouldn't be at all surprised if there were not some employees of the DD/P who would qualify for this system who have outlived their usefulness, to a degree, or have proven to be so marginal in their assignability, and so on, that the DD/P might suggest to them that they retire voluntarily. And I would expect that these people probably would retire voluntarily if this was the appraisal of their career prospects.

25X1A9a [REDACTED] Voluntarily?

MR. ECHOLS: Yes. We don't know, and will not know ultimately, how many people will apply for optional early retirement. If enough do, there will never be a bind caused by upper age bracket Clandestine Services people for whom we can't find cover abroad, or senior operations people who are so badly blown that they can only marginally be utilized abroad, or a large block of people who have impediments and who cannot go abroad. If enough people optionally voluntarily leave we would never have a need to use this.

MR. BOREL: I don't think that follows. We could have the very percentage leave that you wished to retain. In that case if you let them go you would have left the ones that you hoped to use this system for.

MR. WARFIELD: The regulation says the option is with the Director.

MR. ECHOLS: I cannot conceive of the Director holding a man that wants to go for more than 12 or 18 months -- I can't conceive that the Director would hold a man who honestly wanted out. And this is true, you do lose people, perhaps some good people, but you lose some good people every year anyhow.

25X1A9a [REDACTED] I have two sort of related questions. You have mentioned two ways we can now get rid of people - 701 and 102(c). How about the 50 and 20 involuntary retirement that exists within the Civil Service. This can be implemented separately from 701, can't it?

MR. BOREL: They are identical.

MR. ECHOLS: Yes, that is used every day. I would say we have a dozen or so cases a year -- more than that -- of discontinued service annuities for 50 and 20.

25X1A9a [REDACTED] That doesn't require 701--

MR. ECHOLS: It requires the separation of a man under the Director's authority.

25X1A9a [REDACTED] That is a general Civil Service authority, isn't it, throughout the government, that anyone who is 50 years of age and has 20 years of service may be involuntarily separated?

25X1A9a [REDACTED] If he is involuntarily separated not for cause he is eligible for an immediate annuity under Civil Service. In CIA the termination authority is 102(c).

25X1A9a [REDACTED] But is it clear that it must be -- couldn't it be either for cause--

25X1A9a [REDACTED] It could be because you abolished his job, or you had a rif--  
Because he is no longer useful to the Agency.

Now what is not clear in my mind, and I think gets back to one of the major points, is people feel that mandatory separation will come much easier under this new bill, that is, there won't be the requirement for complete documentation, or anything of that sort, but merely that for a wide variety of reasons we think it well that he leaves. All right, it is easier under the new bill than it is under the Civil Service 50 and 20.

MR. ECHOLS: Under our regulations now we have to proffer charges against an individual of some kind of substandard performance in order to separate him for unsatisfactory work. To do this we afford the man a hearing, and it's expensive, it's time-consuming, and you hesitate to throw the book at a man - fire the man, if you will.

25X1A9a [REDACTED] What will be the procedure for involuntary retirement under this bill?

MR. ECHOLS: I imagine the Director before he will sign his name and say that Johnny Jones shall retire, will ask for a complete case to be presented to him as to why this individual should be directed to retire, just as he now says: You present to me a thorough study as to why this man should be [REDACTED] fired.

25X1A9a [REDACTED] But it will be much easier.  
[REDACTED] The regulation says: "Ordinarily, the recommendation to retire a participant under the provisions of this paragraph shall originate with the Head of his Career Service who shall provide a full statement of the reasons for such recommendation."

25X1A9a [REDACTED] I'm only trying to say that people are not completely wrong when they say, "It's going to be easier [REDACTED] to get rid of me--"

25X1A9a [REDACTED] They do have and the regulation provides for an appeal -- first, when it has been recommended and it is then referred to this Board to consider, and the Board says, "Yes, we agree he shall go" - they will give him an opportunity to present his case. Then the case goes on up to the Director, and the Director says, "I involuntarily retire you" - the man still has an appeal, and it will go to the IG--

MR. ECHOLS: I doubt if the Director in his own mind is going to really differentiate materially between his firing a man, if you will -- is directing the guy's retirement under one bill or is firing him under some other provision -- in either case the individual is being separated from his job. Now the reason the Director might do so with a little less compunction is because he knows the broad operational needs, and he may have to get rid of this person or these persons because their skills are no longer required, or because they are constipating the Clandestine Services, if you will, with their immobility--

MR. BOREL: And the penalty to the individual isn't so great--

MR. ECHOLS: And the penalty to the individual has been greatly overcome -- so he can do so with greater compassion and greater motivation, in one sense, I suppose.

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██████████ I think what you have said here is true -- I think the psychological effect that is permeating the Agency arises out of the fact that people have this misconception that you can get them out faster under this, and that really it's a tool that is being given to the Director. So I feel that this educational program that you are going to have to develop here can't be on the low key that you indicate, I think it's going to have to be a high key. But what I'm trying to get to now is let's look back at these two pages that you just read. I'm thinking now in a clean vein, that we are not thinking of involuntary separation, but, rather, a case where the man has a choice. Now have you interpreted that, at least in this case where a man has had 15 years of Agency service, five of which are qualifying, that he may elect to stay under this system or to go back to the Civil Service.

MR. ECHOLS: This is the way I would think right now.

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██████████ Does he have that choice at this point when he finishes his 15th year, or when he has gotten his five years of qualifying service after his 15, or does he stay under it until he is ready to retire -- can he make that choice early, or does he have to make it late.

MR. ECHOLS: I would force him, I think, to make his election at that point -- and I think it's implied here -- and it doesn't bother me to force him to make that determination then because I think it's an early indication of his acceptance of the Agency's possible need to manage its manpower.

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██████████ Then you do admit that this is at least one case of an exception to your earlier statement that he does not have an option--

MR. ECHOLS: Now we're talking about the option to be a participant -- that is one thing. I say I don't believe there should be any option here. I don't even think it's appropriate, because the system is so damn much better in every way, except perhaps psychologically with some people.

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██████████ No, there are cases right now -- I can give you a number of cases where an individual might prefer not to be a participant, where he has the 15 --



MR. ECHOLS: I'd think he was an idiot--

25X1A9a [REDACTED] He would have to retire at 60. If he can stay on until 62 with Civil Service then he can make up the three and three-quarter points he loses, so he is ahead one more quarter -- and I'm talking for myself now, because I'm that close. So you're ahead, really, by remaining under Civil Service. So the man does have a choice. Maybe the Congressman couldn't indicate examples, but I can give you a lot of them. I have had them come into my office on that point -- they would prefer to remain until 62. So if they have the 15 and 5 this is one place where they do have that election either to stay on and retire under it or to stay on two more years and they would be ahead of the game by one-quarter of a percent, and they would prefer to stay on two more years. Now this point has bothered me, and so to me that is an election of sorts that doesn't make it compulsory.

MR. ECHOLS: Let me speak one second, Mike. If we followed through on my previous proposal, that should a man stay under our system, when the time comes for him to retire of his own volition or otherwise, we give him a last option -- you pick as between the two, and take whichever is more beneficial -- I think even this wouldn't hurt there--

25X1A9a [REDACTED] But I was going to raise the question if the person elected [REDACTED] not to stay under this after he has his five qualifying years, and he goes to Civil Service, immediately after the 15th year, when he has qualified, can he come back to the other system?

MR. WARFIELD: You said he could (indicating Mr. Echols).

25X1A9a [REDACTED] Are we going to get involved in a transfer of funds--

MR. ECHOLS: There would have to be a new determination--

25X1A9a [REDACTED] Are we going to be estopped -- having made the election at 15 years - now I want to be in Civil Service, does this require then taking the money out of our funds and putting it back in Civil Service, so the person may be estopped from later on wanting to go in under the program -- because he qualified once,

he continued to remain in his same Career Service, he has all the other qualifications met--

25X1A9a [REDACTED] He would not be estopped because the money has gone back to Civil Service, because that would just be a bookkeeping thing. But he would not be put back under the system on the basis of the first time he was in it -- he couldn't say, "I was qualified once, therefore I still am" -- he would have to meet currently at the time he wants to go back under the system the requirements to be a participant.

25X1A9a [REDACTED] I've given them to you -- he has met all six requirements -- he is still a member of the --

25X1A9a [REDACTED] e meets all of the requirements, yes, he can be put back in.

[REDACTED] And we are not going to be bothered with this business of going from one fund to another.

25X1A9a [REDACTED] I think he would be smart to stay under this system until 60, and if he saw he could stay on for two more years, then, at that time, make a second election and go to the Civil Service--

MR. ECHOLS: He is only going to stay on if they want him to stay on.

25X1A9a [REDACTED] No, I'm assuming they are going to keep him--

MR. ECHOLS: This retirement system is for the people who are engaged in foreign intelligence, right? - foreign intelligence activities. And it has a compulsory retirement age of 60, or 65 if you're a GS-18. Now the only way that man is going to stay on past 60, Mike, is if the Director determines it's in the interest of the Agency to keep him on.

25X1A9a [REDACTED] Only if the Director can exercise this right or does exercise this right if the individual is a participant in the program, but if he has elected to get out he is no longer a participant in the program -- unless he is going to involuntarily separate you -- and I'm not talking about where the man isn't doing his job, I'm talking about the man who is doing his job, the DD/P wants to keep him--

MR. ECHOLS: He goes to the Director and gets the authority to keep him -- that is a provision of the law.

25X1A9a [REDACTED] You are authorized to get a waiver for up to five years.  
[REDACTED] It might be far more difficult to go to the Director and ask for a--

MR. ECHOLS: We are not going to give the individual, it seems to me, the option to thwart the intent of the law and the intent of the regulatory system - the retirement system we asked Congress to give us. If we're giving a loophole to the individual, this would be ridiculous--

25X1A9a [REDACTED] That isn't what the Congress said --

MR. ECHOLS: The Congress said the compulsory retirement age shall be 60 for those below 18, but they give the Director authority to extend--

25X1A9a [REDACTED] If he stays in this system. I'm not arguing that. But here's a man at the end of 15 years' service and 5 years of qualifying service, and he says, "I don't want to retire early -- I'd prefer to retire under Civil Service -- therefore I elect not to remain under this system, I want to remain under Civil Service." I'm assuming the guy isn't going to jump back and forth - hes going to retire under Civil Service. Now if he never qualified and he was a good man the Director [REDACTED] and everybody else would keep him on to 62.

MR. ECHOLS: Why not 60? We have an Agency policy on 60, Mike.

MR. BOREL: If you have 30 years.

25X1A9a [REDACTED] Well, he doesn't have 30 years.

MR. ECHOLS: I would think a new policy would apply to people who are eligible for this retirement system, which would be 60 -- in other words, if 60 is indeed the compulsory retirement age for people in this field of work, it should be 60 for this man, even though he elects to go over to the Civil Service retirement system.

25X1A9a [REDACTED] Then you have destroyed the point I made that the extra two years -- age 62 -- that is a nice interpretation.

MR. ECHOLS: We set up a new set of rules for a certain group of

people, and those rules would automatically, I would think, become policy with respect to those people who are eligible for that system, and if it was 60 it would be 60.

25X1A9a

██████████ I would think, though, that that wouldn't be logical unless the non-qualifying people who never were under the system would also have to leave at 60 -- and that doesn't seem to be the policy now, unless they've had 30 years.

MR. ECHOLS: Roger, I don't follow that.

25X1A9a

██████████ Well, a man who has not had 30 years when he reaches 60 he therefore now remains until 62, under the Agency policy. I don't see that if he is never under the system and can remain until he is 62 how it would be consistent with what you said would undoubtedly be policy if he were under the system and then elected to get out of it.

MR. ECHOLS: The very justification that McCone and Carter and the Agency made to Congress is that this group of people by and large should be a younger group of people --

25X1A9a

██████████ Two groups of people, one of whom could stay until 62 if they hadn't gotten 30 years of creditable service under Civil Service--

MR. ECHOLS: And the other is maximum compulsory retirement age of 60 -- and there is a reason for that, and the reason that the Agency asked for this was that we wanted a younger group here. Now they ██████ reserve the right to extend a man if they find his services are so valuable -- but as a basic rule they want him out at the latest by 60.

MR. BOREL: In comparison not so much between the new system and 62 but as between the new system and Civil Service, which is 70 -- so we are not talking about two years, we're talking about a 10-year difference here.

25X1A9a

██████████ You were talking about that special group, that 25 to 30 percent that General Carter went over and pleaded for -- and regardless of whether that man drops out, he is still one of that 25 to 30 percent -- so the circumstances haven't changed.

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25X1A9a [REDACTED] I think there are other people in the DD/P that are not going to be able to retire under this, and I don't see why you penalize this fellow who has gone overseas and done your work for you but the fellow who sits behind a desk here can stay until he's 62.

MR. ECHOLS: He constitutes one member - one member of this group of people for whom the Agency has said collectively we cannot give all of these people the full working career, we must reduce the average age of our retirees, we must limit the maximum age, with a new 60 year maximum -- it was our intention, our need that we do this. We are not penalizing him. And indeed, from here on out, Mike -- and we testified to this extent -- in our recruitment of people we must make known to them that they are not assured of the normal Civil Service working span, that they might be among those who will have to do with a shortened career. And in order to make employment and a career acceptable in the face of this uncertainty as to a full working career we've got to have a carrot [REDACTED] to dangle in front of this person's nose -- we have to show them that should they be so unfortunate as to have a shorter career that we have made a compensatory provision for them, to [REDACTED] wit: an annuity - an immediate annuity, and at a very handsomely computed rate.

25X1A9a [REDACTED] But now you are using the act as an instrument to get the person out, and that is what is bothering a lot of people. I can see a lot of people saying, for instance to Jim here: I don't think I want to go overseas, Jim, anymore, because I'd have to retire at 60, and I'd like to stay on until 62, and therefore, I've never been under the act, I've got four and a half years of qualified service -- and in the case of this person Jim has to be content with going along with him -- he has been a good man, and he wants to keep him--

MR. ECHOLS: Mike, I can't argue this. The Agency has said we must have this. We must have this in order to make our manpower situation tenable -- we must have this authority, we must reduce the ages of this group. And you say - yes, but that impinges upon the individual's desires in life -- so we turn around and say we won't implement this plan if the individual doesn't want it?

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25X1A9a [REDACTED] But you are arguing now, it seems to me, entirely from the point of view of an individual that the Agency wants to get rid of. Now many of the arguments that were presented before the Congress had to do with individuals the Agency would like to have kept but the person's skills were no longer in demand, and it would have been foolhardy for the Agency - they wouldn't have been operating efficiently if they had retained that person any longer -- it didn't make any difference what age he was -- he could have been 70 -- if his skills were still in demand they might have insisted on him staying, but the skills have ceased, and they wanted a means of saying to that person: We can't retain you any longer but we want to give you a better retirement than we can give you under Civil Service - you are entitled to it, you are a fine fellow, and we want to do this. But the argument you are giving me here seemed to relate almost entirely to the Director's wanting to get rid of people so that he can constantly have a younger service -- as though a man 62--

MR. ECHOLS: This never speaks to the individual, Mike, it speaks in generalities - [REDACTED] the general composition profile of the group. We have said it has to be youngish, because we can't find enough cover for these older people abroad. Is this true or is it false?

25X1A9a [REDACTED] That's a new one -- I have never heard that before.

MR. ECHOLS: We have testified on an obvious fact, that as a person grows older he and his family have more physical impediments which prevent overseas service. Is this true or false? How many people can you carry back here at Headquarters and find constructive work for? I don't know the answer to this. We have testified to this. We have said <sup>well</sup> we must have this -- these are the facts of life in our business -- and we can't give the individual, then, the choice -- "Well, that doesn't apply to me -- I'd like to stay around."

25X1A9a [REDACTED] Mike, I wonder how great a problem this is. I happen to be in a similar category to you. But aren't you really saying that if the man is all this good at age 60 that the chances are his Service will request a two-year waiver? It seems to me it is as simple as that. If you are not all that good then

the bill is right in saying he should be out at 60.

25X1A9a

██████████ Maybe you are right about that, but the various Directorates on the other retirement panel on which I sit don't operate that way. Some won't go to bat -- they think the Agency policy of retiring at 62 means precisely that; others didn't think, for a long period of time, it didn't mean that at all, and we had very few cases come up before that panel or Board, because they kept deferring it.

Well, I have occupied the time of this Board too much now with this problem.

MR. ECHOLS: I do think, Mike, one point should be made. I don't see how the Agency as a principle can seek a special retirement program which has a lower, reduced mandatory retirement age, in a program which provides for a much richer annuity, on the premise that these people are going to have shorter careers, and then turn right around and say we should give the individual the right to sidestep this program if he chooses to do so. This is inconceivable to me.

25X1A9a

██████████ It sure is, you're right.

May I ask another question? We seem to be dealing primarily with people who have passed 50, and the various problems that come up. Looking at it for the longer haul, and following your statement that in designation as a participant there should be no question of option, I get back to the statement now -- assuming we went through this act of compiling the information now based on what requires eligibility, and we come to the young fellows, or the 35 or 40 year olds -- and we say: You look like a type who qualifies, because either you have had the five years or you're in work that will normally bring five years, and therefore we are recommending you for designation, and attached is a statement for you to sign. Now regardless of how wonderful this bill is, for a variety of reasons we're going to have the man who is going to say, "I don't want to sign it -- I think I'd rather stay with Civil Service." Now you may try and convince him that this doesn't mean you're going to be let out before age 60 -- but he looks around at Joe and Fred who

were let out, and he says, "I don't want to sign it." What is going to happen? You can't designate him as a participant without his signing it. I mean, do you think we are going to fire that man?

25X1A9a [REDACTED] Is there a way out of that, though -- that at a time we put a man into say your Service, you have him sign an acceptance of the obligations of your Service -- get his signature on a Service agreement at the time he is assigned to your Service, not in connection with going into this system but in connection with going into the Commo Service--

25X1A9a [REDACTED] So the man when he gets ready to sign it says, "What does this mean?" Do you surface it or don't you?

MR. ECHOLS: I think we will have to surface it -- and actually in future years in our recruitment, for example, of JOTs, I certainly would. I would surface it the minute that a man is about to become a career employee of a Career Service -- he should know that these are the hazards in making my career in this area of Service, and these are the benefits I derive if I'm unlucky enough to go out--

25X1A9a [REDACTED] This, as I say, is the only obstacle. I'm trying to think what we tell our senior people in the field when a man says, "I don't want to sign it." All we could tell the man is we don't know - this is a matter for the Career Service Board to decide -- but sooner or later it's going to hit here and we are going to have ex-number of people say, "I don't want to sign." Now maybe some can be convinced they are wrong, but for the few who don't want to sign it are we ready to face up to what are you going to do about it?

MR. BOREL: What do you tell a man you want to go overseas and he doesn't want to go?

25X1A9a [REDACTED] If that is the decision it's pretty easy to implement -- when you ask what do you do if he doesn't want to go overseas, we give him maybe a second chance and then cut him. But if you are saying that that is really [REDACTED] significant -- if you're going to let the man out--

MR. ECHOLS: I think we do have two problems here. In the long haul



I can easily see a man signing a Service agreement -- I'm not advocating the one we handed out -- at the time he enters a Career Service and accepts the obligations of service that are involved in a career in that area. He will be young, at the beginning of his career -- it's like a reserve officer going on active duty in the military services - he knows that in all probability he is going to have a short 20-year career, but he also knows if he does go out he is going to get an immediate annuity for the rest of his life. So this here is the quid pro quo. Now the Foreign Service has the same thing, for heaven's sake -- they know that they are subject to a selection out program--

25X1A9a [REDACTED] I agree -- I don't think we will have a big problem in the recruitment of young boys if we say to them right at the outset: You know, it takes you three years, but ultimately you will be a member of this thing, and you sign this statement now. Because the kid of 22 or 25 - he never is going to be 50, and I don't think he worries about it. And I think most will sign it. But we have a big transition period here.

MR. ECHOLS: This is the other part of the problem I'm talking about, the transition period, if late in some peoples' careers this new thing comes up. They have had some inkling for some years now, as has the Agency as a whole, that the Agency seeks a less than 70 year retirement age for its people. We have a policy on the books, and have had for five years - 60/30, 62/5 or more, is our desired retirement age, and we have been implementing this, and it has worked very, very well. So I think every person in the Agency knows that the Agency has an early retirement policy right today - right today - and has known it for five years. But even then we make exceptions on the basis of humanitarian reasons, compassionate reasons -- we make exceptions when the Deputy Director says, "This guy is too good to let go right now" -- the 25X1A9a [REDACTED] the Matt Bairds -- there are many of these around -- and this is fine. But to say, "Well, this person is only a GS-7 clerk, a damn good clerk" -- but the Deputy Director doesn't say, [REDACTED] "This guy has to stay - he is so important." The simple fact is that clerk may or may not be that

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important, but it's less likely to lower the grade (if the person) is that less essential. These are the facts of life. Maybe a clerk just doesn't get that much attention in an organization, but these are the facts of life.

25X1A9a [REDACTED] Mr. Echols, could we ask our legal adviser to reconsider the question of whether we have to have a new agreement signed now by all of the people here who at some time in their careers have already signed some statement--

25X1A9a [REDACTED] I made the assumption you had to have this new statement--

25X1A9a [REDACTED] I have only asked [REDACTED] about this once, and his top of the head answer was the old career staff form, as an example, would not do. But what I'm thinking of, this requirement stems from our own testimony that the people we were talking about had accepted the obligations of the kind of service we were talking about, and I don't think that Congress meant we should go around at this point and get them accepted all over again. I would like to ask John to reconsider his earlier position that we do have to get a new statement now from people who have already signed -- and many of the people we have now have signed the old career staff form.

MR. ECHOLS: It does embrace this stipulated requirement, does it not?

25X1A9a [REDACTED] Yes, it covers the requirement -- it happens to say that consideration for this is membership in the Career Staff.

25X1A9a [REDACTED] Which I think was John's reason for saying it wouldn't serve for this purpose. But I'd like to ask him again, because I think this new service agreement is giving a lot of us trouble.

25X1A9a [REDACTED] I'd like to see the new service agreement use the precise language of paragraph 2 or 3 of the act, so the individual knows exactly what he is signing, and it's a legal document rather than one phrased in a general language.

MR. WARFIELD: Don't you think a lot of this is psychological?

25X1A9a [REDACTED] May I enter [REDACTED] a statement of philosophy in the

record? - because we are preoccupied with the negative aspects of this. It's essentially a restatement of what I said last week, but I have attempted to make it more precise. And I would like to preface it by saying when I use the words "clandestine operational activity" I am not speaking with prejudice/with respect to any kind of overseas service [REDACTED] etc. This isn't the problem I am dealing with. I believe it is of the utmost importance in the administration of the new Act that we preserve the idea or concept that we are establishing a system within the Agency which offers the individual employee who accepts the discipline of clandestine operational activity, advantages, status, and compensation not available to other Agency employees. This is the thought that emerges clearly from reading the Act and the testimony of Agency officials leading to the legislation. It must be a constant objective of Agency leadership and personnel management to further enhance and support the idea that the Agency give special recognition to the individual who undertakes a career in the type of service to which this Act relates. Thus, the intent of the Agency to develop additional career benefits recognizing the character of the service of this type must be implicit in the administration of the new Act, the first step in the history of CIA to give such recognition. To initiate an involuntary reduction in force directly and exclusively related to the new Act in the system would defeat at the outset the broader positive purposes of creating the system. Involuntary retirement from the Agency after 50 or at any other time should not be directly related to the system, however, participation in the system gives the individual an advantage should he be retired under any existing authority -- this is a fine distinction and has more to do with the spirit in which this Act is implemented than what actually happens. End of statement.

25X1A9a [REDACTED] If you do mean to include other than the clandestine services why not rephrase that particular term so that it is apparent immediately to anybody that it is not exclusively the Clandestine Services.

25X1A9a [REDACTED] Common and other qualifying service. last point I think is of tremendous importance.

MR. ECHOLS: In my own opinion if we have anything that even looks

like a reduction in force in this group in the next five years we are very, very foolish. I think it would be rather disastrous for morale, myself. I think in selected cases individuals can be counselled and maybe early retirement and a new, second career, might be to their advantage. I don't call this a reduction in force, I call this career counselling. I think this should happen -- probably will happen. But I don't think any reduction in force is contemplated, in fact. I know of none.

25X1A9a

██████████ It is envisaged that we would blanket in the group of employees which definitely includes young, secretarial help and certain other categories of young employees who statistically seem to be the transient element in the Agency, although their immediate service may be overseas and fall under the heading of qualifying service. Wouldn't we complicate the system unduly if we didn't make some arrangement to delay the entrance of this type of individual until some possibility of a career--

MR. ECHOLS: Let me give you some background on this -- it's historic background now. We have made some efforts to keep out the turnover crowd with our three years' service, age 25. This does keep the young secretary or clerk out of the picture, by and large. However, you will remember we originally went forward to get a retirement system which for all practical purposes was identical to the Foreign Service system, and that retirement system has some benefits particularly in the area of death and disability, which are of course related to the health and other hazards of overseas service, and these benefits were very, very desirable -- including complete non-taxability of certain things, and better benefits for widows, and that sort of thing. If we deferred putting people under this system during the first ten years of their overseas service, for example, we would be depriving them of the very benefits we would like to give them - the benefits which were commensurate with the hazards and the stresses that go with that type of service. So our original intent was to get people under this system at the earliest possible date, and if we were wrong later on and their careers shifted, or they didn't stay with us, or maybe they did only one tour abroad, we still wanted them to get the death and disability benefits if they were killed or disabled abroad

during that one tour -- so we approached it from that point of view, because the system we were after made this highly desirable to the individual. And then suddenly -- and I do mean suddenly -- we completely lost this retirement system and were thrown back on the Civil Service system, in which we had to fight to get the improved benefits that we wanted, but the old administrative concept of getting people into this system as quickly as possible, and how we were going to review this group to correct any errors which history or time showed were erroneous judgments, [REDACTED] remain -- and we had no choice in this matter. That is another reason why I want to point out our administrative system has been with this thing all the way through, and I think we are stuck with this integral part of the statute today.

I can see your point - let's leave people out of this thing, because there are no benefits, really, until the time comes to retire -- and that is true today but it wasn't true when we started out. In fact, there were tremendous benefits from the very beginning.

25X1A9a [REDACTED] So these are not in the Act that we have?

MR. ECHOLS: No.

25X1A9a [REDACTED] So the individual secretary twenty-five and a half years old actually gets no benefits as long as she stays with the Agency only ten [REDACTED] years.

MR. ECHOLS: That is right. It's true this is going to be a bit of a paper mill, but who knows but what ultimately she will qualify for a very nice benefit. The odds are against it, perhaps.

25X1A9a [REDACTED] Could we get some clarification this afternoon on numerical limitations placed on this during the first ten years? How is this going to relate to acceptance into the system during those first ten years? What was the reason for this limitation at the start -- which I assume is not applicable after ten years -- as I understand it, there is no limitation thereafter.

MR. ECHOLS: First let me say that the attitude of Congress was

one of protect the Treasury against a raid -- prevent people who don't deserve these very fine retirement benefits from getting them. And despite all the assurances that we give them that our integrity was not to be questioned, and notwithstanding the criteria we set up for entry into the system, notwithstanding our administrative system of reviewing to purge the system of those who don't continue to deserve these benefits, they were afraid of it -- there's no question about it, they were afraid of it. And almost to the very end -- and you can correct me on the exact date -- almost to the very final day they were going to put a numerical limit on the number of people who could be in this system. And notwithstanding the fact that we had testified that this only will affect approximately 25 or 30 percent of our Agency population, they didn't like these percentage figures, and they wanted to hang an absolute numerical limit on the number of people who could be put into this system. Well, this wasn't (logical), and we argued against this. And again I say at the last minute -- at the last minute -- they put in ~~the~~ this quota on the number of persons who could retire in the first and second five-year periods. We had absolutely no control over this.

Now the estimate of 25 to 30 percent that we gave the Committee was based on some pretty accurate guesses as to the numbers of people who are engaged in overseas activities of the Agency at any given time, and then inflated by a significant factor to represent the turnover -- we have some of our overseas people who are serving overseas today and their rotations, let's say, are back here in Washington -- so it's a much larger figure than the overseas population. So we felt that we were quite safe, and quite sincere, and quite honest in giving this figure of 25 to 30 percent. On the numerical limitation - the quota on the number of retirements we did have some say -- we fought on this one -- and we made a fast review, based upon some pretty accurate age and service statistics - machine runs, if you will - on people in these career fields, and we thought we could live with about 300 during the next four years, and we thought in the 400 we got we had a good, safe margin. But by golly, nobody - NOBODY - can actually say how many 50 year olds are going to step up and say, "I want out." I can't swear that 400 is going to be

enough, but I believe it is. In fact, I think we must accept the fact that by and large people don't want to retire early -- people don't like to make radical changes in their careers, especially in late middle ages -- so I don't expect a stampede of people to retire early. On the other hand, who knows? Now it would certainly be different in your (indicating [REDACTED]) Service. 25X1A9a

25X1A9a [REDACTED] Well, even in ours I feel sure we are going to be able to live within the quota.

MR. ECHOLS: I honestly don't believe we should worry about this quota thing -- and certainly not until we get some indication as to what the calls for early retirement are going to be on the optional or voluntary basis. And we do have the means, of course, for putting the brakes on, if necessary. And we can always go back to Congress, if we see fit, to apply for a change. But I don't think it's a problem, Roger.

25X1A9a [REDACTED] I don't want to leave the impression that we're going to be heavy. It's heavier than we thought -- we thought almost nobody would want out. The fact that we have 13 or 15 who are saying yes, is still not a tremendous [REDACTED] percentage.

25X1A9a MR. BOREL: May I make one suggestion? I would like to applaud [REDACTED] positive approach, and I find this kind of discussion helpful, but I think we could do it for ten more sessions and still not get down to cases. I'd like to continue the discussion but I'd like to see at the next meeting five cases that are ready to go, and start discussing them, without any idea that we would dispose of them but to get right down to cases.

25X1A9a [REDACTED] What happened to the proposal that assumptions were going to be (met)? Assumptions have emerged today. The [REDACTED] assumption that the individual will be designated regardless of his desires - that seems to be an assumption. A second assumption is that the individual who has completed his 15 years may elect to stay in this system and he may elect to disengage from this system -- this seems to be another assumption. And you clarified the assumption with respect to secretaries.

MR. ECHOLS: These are assumptions on my part as of this [REDACTED]  
instant--

25X1A9a [REDACTED] But the idea last week that I proposed was that even if we can't get agreement on these assumptions, complete them and then go to the Directorates and ask them to then apply the Act to the people and come back with a statistical appreciation of what the impact will be.

MR. ECHOLS: I read and re-read several times your proposal at the last meeting, Jim, and I'm afraid I don't feel competent at this moment to say what our assumptions are on all these things. I think we are still feeling our way. I think it's a little premature to try to do that. And I think the package that we do come up with should be quite complete and not leave a lot of unanswered questions.

25X1A9a [REDACTED] So we are still working toward developing those assumptions.

MR. ECHOLS: I hope so. They will almost be more than assumptions when the smoke clears away -- I think they will almost be our interpretation of the plan, of the law and regulations, and how it will be workable--

25X1A9a [REDACTED] Are you backing off from that proposal (that you) made last week? I get the impression that you are.

MR. ECHOLS: I'd like to suspend it for a little bit, Jim.

Another thought that occurs to me that I haven't voiced before -- and it comes to Paul's point -- I think there are somethings we are just never going to know the answers to until we do get the individual cases under consideration, and I don't think we can even guess the answers--

MR. BOREL: From the standpoint of answering questions that may never be asked--

25X1A9a [REDACTED] But there are two broad fields we are attacking -- one is the retirement case and the other is the membership in the system, and I'm not sure you are going to learn anything about membership in the system from considering retirement cases.

MR. ECHOLS: I think we will, and I'll tell you why. Supposing we have



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████████ a case of a man who meets all of the qualifications for participation, he is nominated by his CS because he meets all the qualifications, perhaps he has or is perfectly willing to sign the service obligation, but he says, "I don't want to be in the system." What are you going to do with a case like that? Well, it comes to the Board, and the man is going to give his reasons why he does not want to be a participant in the system. And, as you know, only the Director can decide who is in the system, so a case like this would have to go to the Director, in my opinion, with the Board's recommendation, with my recommendation. Now I don't know what peculiar set of personal circumstances the individual has for his request -- and ██████ right here may be the answer to many of our problems -- it may go to the Director, we may recommend that this individual's reasons be accepted, and so the Director says, "Okay, I'll exclude this individual, at his request, from this system." I don't know, this may be the answer to many of our individual problems, but we will never know what the individual problems are -- you know some, Mike, apparently -- until we see them.

25X1A9a

████████ I have a problem, too, with some of the statements in the regulation that has been ██████████ drafted -- what do they mean. So if we could ask some questions on that, and ask just what was intended here -- because I can read one thing and go one way, and read the same thing someplace else and go another way. And I have in mind the designation on page 7. Now if you follow the six requisites and you stop there, this to me means ██████ -- that last paragraph means to me that if a person just had two months in a qualifying position he could be designated, assuming he meets all the other qualifications, provided he can within 15 years get his 60 months of qualified service. Now then when you go to the next paragraph, the redetermination of designation, then I'm thrown into a tizzy when I come to the 5th anniversary review, the 10th anniversary review, and the 15th anniversary review.

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████████ I am, too.  
 ██████████ So there are a few things in the regulations

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themselves that I feel we ought to discuss and get the benefit of your expert advice, and the thinking of the members of the Board here as to how they look at this, before we can answer some of these questions.

MR. ECHOLS: I agree with you completely. I think one of our immediate tasks is to go through these regulations from A to Z, find out if there are any questions of interpretation, try to develop a common understanding as to interpretation, see if there are defects in language where a change in wording, not in substance, would help clarify things, and so on.

25X1A9a

[REDACTED] And then one other thing, Mr. Chairman -- suppose we found, and we were in unison on this, that certain wording in here ought to be changed to fulfill the intent, to whom do we have to go back to? - to any member of Congress, or to this group of experts?

MR. ECHOLS: I believe if it's changes in wording which our legal people will say has no substantive effect in regard to the interpretation or meaning that may have been given to the provision by the members of Congress who previously reviewed this, that we could make such changes. But I think any substantive change of any kind would have to go back to the two Committees of Congress, the Bureau of the Budget, and certainly back to the Director, and whether he wants to call in his panel of attorneys again, to protect himself, I don't know. I would suggest that if there were minor changes we can do it, if it seems to be important enough, but I would urge extreme caution in trying to make any significant changes.

25X1A9a

[REDACTED] I think we ought really to let [REDACTED] come in to discuss this next week. I believe, though, he will feel that to go to the Director with anything that even has a comma, almost, different from what the panel of attorneys approved, and BOB approved, he would be very reluctant for us to do that. He hasn't answered clearly yet the question of whether - say two years from now we want to change [REDACTED] something in the regulation we do have to go this whole approval circuit again if it is not a substantive change -- he hasn't ruled positively on that. I think John's feeling is he doesn't want to go to the Director

25X1A9a

with anything other than what has gotten the external approvals, and I think we should let him speak for himself next week.

25X1A9a [REDACTED] I agree with Paul's proposal that we start discussing some specific, concrete cases, instead of the abstract discussions we have had so far, and I think the policy questions and other questions will emerge within the context of the specific cases that we discuss. I would like to suggest that you bring some specific cases to the Board for us to discuss, because I think we will learn by doing, and perhaps make faster progress.

MR. ECHOLS: Wouldn't you agree, Roger, though, that we should first develop unanimity of opinion on interpretation of the regulations?

25X1A9a [REDACTED] Would we not do that--

MR. BOREL: No. That is the reason the courts will not take up moot cases, because they don't mean anything except in a particular application. That is the way you put life into these words. We will learn when we have to apply a paragraph to a case.

25X1A9a [REDACTED] I strongly feel that is going to be a good way to secure unanimity, to identify the questions and areas where clarification is needed -- because then we will be discussing concrete cases, which is what eventually will be the Board's major task anyway.

25X1A9a [REDACTED] I worry a little bit about giving all of our time to just the retirement aspect, however, because I think the second aspect of it - the participation - is equally important, and probably more so, for the long haul. And I'm still wondering if there isn't some way, without a lot more words being written, for keeping it as vague (as it may be), of beginning to try and hit the Board with designations of participants as well.

MR. ECHOLS: Well, it was my original hope that we could start immediately [REDACTED] the process of reviewing the service records of people, reviewing their careers, and developing the list of nominations. And we have the rosters ready to [REDACTED] go out to the various Career Services of people who might have immediate eligibility for retirement - i.e., 50/20, 10/5 - and this would start

the process. It has to be done ultimately anyhow, and this is the group of most imminent concern and interest. I'd like to get this started, frankly, at an early date -- which was one reason I tried to rush us into a review of procedures last week.

25X1A9a [REDACTED] But from a fiscal standpoint -- I'm probably talking for Byron -- I don't imagine you would want to take an awful lot of actions on retirements until you get the entire body of people into the thing, too.

MR. ECHOLS: No, but there are several weeks of work, I'm sure, in just this initial group.

25X1A9a [REDACTED] I think all of us anticipated that would probably be one of the very first things we would do. That is why I raised this question of designation -- if you were to hand us that right now I wouldn't know how to apply "f" under designation in light of the next page.

25X1A9a [REDACTED] Page 7, 8, and 8a have all the key questions. If you would just go through those two and a half pages I think you would really help us all a great deal, Emmett -- because quite independently several of us--

MR. ECHOLS: Okay, "Designation of Participants. Designation - In order to qualify for designation as a participant, an employee must: (a) Be at least 25 years of age; (b) Have successfully completed three years of Agency service." I'd like to stop right here. Originally we picked this up from our [REDACTED] machinery for converting people from provisional status to career status. By our regulations today these are two requirements. We don't want to mess around with people who are newcomers to the business, who haven't established a foothold, at least.

Any questions on (a), (b), and (c)? (No response.)

"(c) Have signed a written obligation to serve anywhere and at any time according to the needs of the Agency." This was based upon General Carter's testimony in response to the direct question: Are these people, like the people in the military, like the people in the Foreign Service, obliged to serve anywhere at any time. General Carter made this absolutely clear. Ultimately

we got stuck [REDACTED] with this as a specific requirement.

25X1A9a [REDACTED] May I just stop you one second -- on your form, assuming that we buy this section, the statement signed by you is this man meets  
25X1A the requirements of [REDACTED] for designation as a participant, so this means to me that the package coming up here for signature by you must include this statement.

MR. ECHOLS: We had planned the statement would be attached to the nomination.

25X1A9a [REDACTED] While I'm on that, is this purposely written as "meets the requirements" rather than "is designated as" -- I mean, at what point is the man actually designated?

25X1A9a [REDACTED] You have the authority to designate, and if the person designated doesn't like it, he can appeal to the Director--

25X1A9a [REDACTED] Well then again I get back to the problem of signing this paper, if we can get agreement -- possibly the previous one he signed - which I doubt -- I don't feel I have an answer yet to what are we going to do with people who won't sign it. I know it's just one of the mechanics--

MR. ECHOLS: I might add here that I hope that this document will ultimately be signed by persons entering a Career Service -- when they go into a Career Service they should sign it, and there should be no ifs, ands, and buts. But initially, for these people who have been aboard for years, we are going to have to start from scratch, apparently, and get a new certificate.

"(d) Be serving on a career basis in a field which normally requires the performance of qualifying service as an integral part of a career in that field."

25X1A9a [REDACTED] May I ask what "career basis" means? Does that mean membership in the Career Service?

MR. ECHOLS: I would think "on a career basis" -- for example, we might be able to include career agents -- but it would exclude, obviously, any other contract type of agents. It would exclude many employees who had not yet

been granted career status, it would exclude our reserve appointments, and it would ~~also~~ exclude our temporary employees, WAE employees. They would have to be career employees of the Agency, for one thing. All of our employees are members of some Career Service, but I think in this sense they are with the Agency on a career basis, not a temporary basis, not a short term basis - like a ~~temporary~~ ~~reserve~~ reserve appointment for five years -- they're not eligible.

MR. GEORGE MILLER: "...in a field which normally" -- what do you mean by "field"?

MR. ECHOLS: I don't believe we have defined the field. We meant trying to embrace the entire scope of Agency activities, an area of vocational specialization, you might say, which might be far more narrow - in most cases will be far more narrow than a Career Service. Let's take for example in the Finance Division, there is literally a corps of officers whose entire careers, by and large, have been spent in overseas financing and accounting for Agency intelligence operations abroad, and I would say this group of individuals, although they don't have any blue beret, or anything like that, as individuals can be identified as being career employees in a field of work, or endeavor, in this case, wherein qualifying service is an integral part of their careers, an ultimate requirement that they will regularly and recurringly be performing qualifying service. Now this substantive judgment has to be made about an individual by his Career Service, because they initially singled him out -- their intentions toward him, career-wise, his intentions toward them, career-wise, his willingness to assume the obligation of this type of service to go when and where. And then it has to be approved by the Board -- they can review his career and say: Yes, we think this man is a career employee, and he is in a field of work which is an integral part of overseas intelligence operations--

MR. GEORGE MILLER: Who says that that field is a part of it?

MR. ECHOLS: The Career Service has the first crack at it. They are going to have to identify what they think is a qualifying field of work. The

Board gets its crack at it, and can say, "We don't agree" - can say "no" -- and I get a crack at it -- and by the time it gets through that there should be pretty good agreement that this is a deserving person whose career is in a qualifying field.

25X1A9a [REDACTED] Aren't you more asking what is qualifying service? -- and that is covered on page 3 -- which, again, needs interpretation.

MR. ECHOLS: Any other questions on (d)? (No response.)

"(e) Have performed qualifying service or be under official orders for an assignment requiring the performance of qualifying service." We wanted to be able to pop a guy into the system the minute he got his orders to go abroad. Actually, there is no real hurry today to get a guy under this system, because unless he is separated the benefits are no greater and no less than Civil Service, unless he wants to retire -- but this is a hangover from the days when we wanted to get people into this system at the slightest indication that he indeed was in a qualifying Career Service, and the proof of the pudding, so to speak, was orders to go abroad, or the fact that he already had served abroad in intelligence operations was a pretty good indicator. I don't think this is too meaningful right now, but it still is here.

25X1A9a [REDACTED] Would a 26 year old person, with over three years of service, who was not yet under orders to go abroad, be brought into the system?

25X1A9a MR. ECHOLS: I don't think so.

[REDACTED] No.

MR. ECHOLS: He wouldn't meet this requirement. This has become the requirement -- perhaps unfortunately, but it has become the requirement -- he either has to have performed or be under orders to perform. So we appear to be stuck with [REDACTED] this one, although historically it's a hangover from a previous retirement plan.

25X1A9a [REDACTED] We keep saying "served abroad" -- I'm not sure what that is.

MR. ECHOLS: I can solve "abroad" right this minute. We have at least a tentative ruling from our General Counsel, that they are going to rule that "abroad" is anything outside of the 48 states - the continental United States and the District of Columbia.

25X1A9a [REDACTED] I'm saying we seem to be talking only about "abroad."

But we also recognize, I believe, there is going to be qualifying service that does not require being abroad.

MR. ECHOLS: "(f) Have sufficient time prior to completion of 15 years service with the Agency within which he could complete a minimum of 60 months of qualifying service, or, if he has completed 15 years of service with the Agency, have performed 60 months of qualifying service." Now, historically this is the background. The House insisted that we give a man a vested right to remain in this retirement system if he so chose - the election to remain in it after he had completed the 15 years' service. However, by law the requirement to retire is five years of qualifying service. So, to give a man a vested right in a retirement system under which he might never achieve the right to retire because he might never serve five years, is obviously a meaningless anomaly. So the lawyers required that at the time a man is about to complete his 15 years and acquire this vested right that he either have completed 60 months, so that there is no future worry about his being able to retire under this system, or there at least be time enough left for him to complete the 60 months before he gets the vested right. Now you take this in conjunction with our need to review [REDACTED] a man before he gets this vested right, and if he does not have it and cannot acquire it before the 15th year, we will be forced to remove him from the system, at least temporarily. Now he may complete the [REDACTED] 60 months and be put back in.

MR. WARFIELD: In other words, a man who has 17 years' service and four years of qualifying service cannot get in.

MR. ECHOLS: Will not be put in at this time. At such time as he does get 60 months of qualifying service he would immediately qualify at that point,



and if he were put in at that point would immediately acquire, if he so elects, a permanent vested interest.

MR. GEORGE MILLER: The way that reads to me is if he doesn't get it before he has 15 years of service he can't go in.

25X1A9a [REDACTED] It's confusing. But it has been clarified.

MR. GEORGE MILLER: It says 'have sufficient time prior to completion' --

MR. ECHOLS: In other words, if he cannot possibly get the qualifying 60 months prior to his 15 years of service we won't put him in the system at this time, but if he subsequently does get the 60 months of qualifying service then he would qualify and so be designated.

MR. GEORGE MILLER: This language doesn't say that.

25X1A9a [REDACTED] It doesn't go on to explain it. But let's say the man has 16 and 4 years of service, and then he goes overseas for two years and he winds up with 18 and 6 years' service, then obviously he is qualified under these words.

MR. GEORGE MILLER: It says an employee must have sufficient time prior to completion of 15 years' service--

25X1A9a [REDACTED] The last part of the sentence clarifies that.

[REDACTED] I read it just as you did at first.

[REDACTED]: Emmett, when do you plan to have these so-called reviews at the end of the 5-year period and 10-year period -- when do you plan to have the reviews? -- not of whether a man has already been designated or whether a man is going to be re-designated -- at what period do you intend that a person's file shall be reviewed? I have in mind the JOT. Now a JOT with three years of service with us, or over three years of service, who might be sent overseas for two months -- now he is qualifying -- he has had two months of qualifying service, and he's in the proper career field and everything -- he meets all the requirements -- might you at that time, in order to catch him as early as possible, designate him, or would you review his [REDACTED] file at the end of five years?

MR. ECHOLS: He has three years with us -- he is age 25 -- and he will have some more overseas service--

25X1A9a [REDACTED] He has two months. Now this man could be a participant if you are going to review his file at the end of three and a half years, because he could within 15 years have completed 60 months -- so would you designate him as of that time?

MR. ECHOLS: I would say designate people at the earliest possible time.

25X1A9a [REDACTED] Then when you review his file at the end of five years, and if he then still has only those two months of qualifying service, do you kick him out?

MR. ECHOLS: There is a presumption that something has happened to his career, and that he is not indeed an overseas careerist. There is an escape clause here, as you will find--

25X1A9a [REDACTED] The lawyers took that statement out. I still think the point George Miller made is a very serious one. When I read that myself, and about four or five other fellows, it says one of the requirements is have sufficient time prior to completion of 15 years' service to do it -- which these fellows do not -- or "if he has completed 15 years" -- which they have -- "have performed 60 months of qualifying service" -- which they have not. You have explained it doesn't mean you can't get it later on -- but reading this thing it states quite clearly to me that 15 years is the very key point in your life and you must have sufficient time prior to completion of this to do 60 months, or if you have 15 years you must already have 5 years. There is nothing that says you can get it later on. And what worries me is the last word on this page - "final" -- I worry about their intent.

MR. ECHOLS: Will you deny that these paragraphs on designation would prevent a 50 year old man -- who came to the Agency when he was at least 25 -- with his three years -- let's make him now 53, for the fun of it -- no question that he signed the obligation of service, that he is lets say an integral part of the

clandestine operations machinery, and is in that field, and that he has performed overseas -- now we take this man five years later, and he has spent [REDACTED] five years overseas - 60 months - he is now 58 years old. Now you look at this man at this point -- he has completed -- no, he hasn't--

MR. GEORGE MILLER: Just take me -- I've been almost 14 years in the Agency, I've had three years overseas, but by the time I have 15 years in I won't either have 60 months in or the possibility of getting 60 months in.

MR. ECHOLS: You are not eligible to be a participant.

MR. GEORGE MILLER: I'll never be eligible, according to this.

MR. ECHOLS: No, it doesn't say that. Now let's say you go abroad for another tour of duty -- you have three years now -- say two years from now you come back and at that time you have 5 years of qualifying service--

MR. GEORGE MILLER: But I didn't get them prior to [REDACTED] my 15 years.

25X1A9a

[REDACTED] I don't interpret it to say that.

[REDACTED] It's have sufficient time to complete a minimum of 60 months of qualifying service -- that is one requirement -- and the alternative to that is if he has performed 60 months of qualifying service -- it's either the first part of that or the second part of it.

25X1A9a

[REDACTED] It doesn't say 15 years or more. As I say, what worried me was that "final", the last word on this page -- I worry about the intent there -- because they actually went so far as to say a "final review" at 15 years.

MR. ECHOLS: I see the point now, the point is 15 years or more. That is our interpretation of it, and I believe, without question, that was the intent all along -- in fact, our discussions with the lawyers, and so on, was to this effect.

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[REDACTED] How do you reconcile this with "a final review"?

MR. ECHOLS: Let's accept this means 15 years or more -- so this would not preclude a man with 17 years of service, or 20 years of service, from acquiring 60 months of qualifying duty and at that time being designated. Or if after five years of service he has performed 60 months of qualifying service. That is the intention of the language.

Now let's go on. (Reading) "Periodic Review and Redetermination of Designation. At intervals of not more than five years, the record of each participant shall be reviewed to determine that he meets the criteria under this regulation for continued coverage under the System. Normally, these reviews will be made within 90 days of the fifth and tenth anniversary of initial designation as a participant and a final review will be made six months prior to the fifteenth anniversary of appointment in the Agency. Such review must show that the individual, in addition to meeting the criteria for initial designation, is performing minimum periods of qualifying service throughout his career in relation to the following standards."

Now the word "standards" is not synonymous with requirement. These are general standards you would generally expect to see--

25X1A9a

[REDACTED] These are norms which we can vary from--

[REDACTED] That is terribly important -- so it doesn't go

in effect the precise day that somebody gets on a plane at Dulles.

25X1A9a

[REDACTED] They are minimums -- because all of the flexibility

was taken out of this when the lawyers got through--

25X1A9a

[REDACTED] It says "minimum periods" --

[REDACTED] I would say there was this much latitude, that if you

had a fellow who at the exact date of completion of the 5th year as a participant was going to be short two weeks of completing his 18 months--

25X1A9a

[REDACTED] This would be a simply awful thing if true,

because it will affect people at the 5th year, the 10th year--

25X1A9a

[REDACTED] It would be another statistic you would have to keep

in mind every time you make an assignment.

25X1A9a

[REDACTED] Because the wife might not want to go -- she

might want to stay and have her baby here--

MR. ECHOLS: Well, you always have this out. We may waste some paperwork pulling a guy out of the system and then putting him back in later on, but he really hasn't lost anything.

25X1A9a [REDACTED] I shudder when you talk about shifting a man back and forth, because this would entail a tremendous amount of work on our part and Civil Service--

MR. ECHOLS: Can we get an estimate of how often this is likely to happen? Let's take a JOT -- now remember, you're not going to put him into this system [REDACTED] unless he has performed some overseas service or is under orders to go.

25X1A9a [REDACTED] Indeed we do still have some [REDACTED] latitude there -- right under that table it says: "Unless the minimum periods of qualifying service set forth above have been performed, the employee will not be eligible to remain a participant unless (1) he is then serving on an assignment which will satisfy the qualifying service requirement indicated for the review involved, or (2) he is under official orders to serve in such an assignment within 90 calendar days" -- and this is your man who wants to stay here until the baby comes - he is under official orders to serve in such assignment.

MR. ECHOLS: In other words, on the last day of the first 5-year period he could start travelling, and here is an exception for him.

25X1A9a [REDACTED] The loophole that I said was taken out was a general one that would have permitted the Director to waive -- actually he could have waived the entire requirement.

25X1A9a [REDACTED] What if we had a JOT who was immediately sent overseas, after some training, and he was overseas four years. Now, then, when you review his case - his 5th anniversary review -- I mean, if you did it before he would get in the system--

MR. ECHOLS: He not only meets the requirements for the first period, he meets the (tenure) requirement--

25X1A9a [REDACTED] You review him at the end of the 5th year, and you say he has to have 18months. Now, he has four years. Now, he does not go overseas again but at the end of the 10th year you review his case -- he still has his four years -- but must he have served . . . . . then?

MR. ECHOLS: Not at all.

25X1A9a

[REDACTED] Then this statement here - "Such review must show that the individual, in addition to meeting the criteria for initial designation" -- that "in addition to meeting the criteria for initial designation" sounds as though you can't use the 4 years that he originally served to account for his 36 months.

MR. ECHOLS: The review should show that he is still serving on a career basis in a field which normally requires the performance --

25X1A9a

[REDACTED] at a pace that will allow him to have five years at the end of 15.

[REDACTED] Well, in reading this I just get the impression that in addition to meeting the criteria for his initial designation, he's got to serve these other months in addition to that.

MR. ECHOLS: Well, the initial requirements don't speak to periods of service--

25X1A9a

[REDACTED] He has already exhausted that, because he had four years of service at the time of his initial designation -- at the end of four and a half years he has come back, and he has four years overseas, he is initially designated at that point. Now he got into the system because he did have this qualifying service of four years overseas. Now, then you review him at the end of the 5th year, and you say he has had 4 years overseas. Now you review him at the end of the 10th year. Now this sounded to me as though he had shot his wad on his initial designation. I think you could do better than this language here.

25X1A9a

[REDACTED] I think we have a real inconsistency here, though, where it makes provision for a man who hasn't yet had 60 months overseas, and if he later gets the 60 months then he can come in -- but the review says the 60 months must be completed before the 15th anniversary, so the review doesn't seem to provide for the man who did not get his 60 months before 15 years but did get it later. On page 7, under (f), it says, "if he has completed 15 years of service with the Agency, have performed 60 months of qualifying service." I interpret that to mean he can get the 60 months after 15 years. However, on page 8, the 15th anniversary review - "at the time of the 15th anniversary review he has

sufficient time prior to completion or 15 years service with the Agency within which he could complete a minimum of 60 months of qualifying service -- the 15th anniversary review on him would have already taken place, and he would have been out for good.

MR. ECHOLS: That's right -- the man after the 15th year acquires eligibility to enter the system -- not only enters the system but immediately acquires a permanent vested interest, and there are no reviews on him, ever -- there's no need for it.

25X1A9a

[REDACTED] Suppose he was reviewed at the end of 15 years and did not have the 60 months--

MR. ECHOLS: You are talking about the man who does not acquire eligibility until after he has performed 15 years of service -- after 25 years he finally completes the 60 months of qualifying service, and is then eligible, and is then designated. He is in for life. No review. None is called for.

25X1A9a

[REDACTED] This 15th anniversary review doesn't bar him--

MR. ECHOLS: No.

25X1A9a

[REDACTED] Your 90 days clause really doesn't make me as happy as you might think, because it's very hard to (settle on) 90 days -- very often the elements which contribute to a decision (about going overseas) are never available until the last minute -- they involve all kinds of agreement and approvals -- and in this whole procedure I see this five and ten year review as something that is going to complicate our lives more than anything else, unless we can go back to the original statement that "standards" is a word that has some flexibility.

MR. ECHOLS: It does.

25X1A9a

[REDACTED] In the whole business this is the one thing that seemed most helpful.

MR. ECHOLS: Can you conceive of many people in the Clandestine Services whom you would designate in this system -- mind you, you can't do that until they have performed overseas or are under orders to do so -- who in five years haven't performed 18 months service abroad, and can you conceive of many

such persons who after 10 years haven't completed 36 months abroad, and who are still in your opinion serving on a career basis in a field which normally requires such service? I think it's most unlikely.

MR. WARFIELD: Jim, I think we have 270 days here to play with. It says the review will be made within 90 days of the anniversary. Now if Emmett could undertake to call these to the attention of the Board 90 days in advance, and we would have an opportunity to know that your Mr. X hasn't got the proper things -- we would not review it -- he would just put us on notice that Mr. X isn't qualified for his 10th anniversary, and we wouldn't do anything about it, we would wait for 180 days. In other words, we would be within 90 days, but (on the far side), for the Board to review it, and then you would have another 90 days to get him on the road -- so it would really be nine months.

MR. ECHOLS: You can anticipate you will get machine runs on those coming up for review.

MR. WARFIELD: If we could get it 90 days in advance of the anniversary--

25X1A9a [REDACTED] I think this is going to become more of a problem than you might think. You don't have to have a great many of these to become quite uncomfortable. There seems to be a conflict of interest which could very easily arise -- where I think the average area division probably deals with something like 80 percent of his overseas planning, reassignments, timing, without reference to anybody else in the Agency -- the rest of the Agency is essentially rubberstamping about 80 percent of their people. As each year passes it seems to me there are more elements we have to live with -- cover, security, integration -- a myriad of things.

25X1A9a [REDACTED] Average grade. (Laughter)  
[REDACTED] I think it will become quite frequent that we

will suddenly find out that some individual is really going to be at a critical point whether he goes in or out of this system simply because [REDACTED]

25X1C4a [REDACTED] or his wife is having a baby, or his children have to have



their teeth fixed, or something, and therefore he doesn't want to leave. And if in the interpretation that we do on this thing in the next few weeks if we can try to get maximum flexibility on this point alone, the major problem that I have found in this regulation will have been taken care of. It's the major thing that bothers me.

MR. WARFIELD: Because probably when you do send him out he's going to stay for five or six years.

25X1A9a [REDACTED] Well, certainly at this point we can interpret this just as liberally as possible, and if it has to be later amended, it can be amended, it seems to me.

MR. ECHOLS: Let me say a word on this. If I were to speculate as to the one thing that made it possible for us to get this retirement system without some very rigid requirements stated in the law, it was this commitment to purge undeserving people from the rolls. This I think was the gimmick that made it possible for us to get our bill. And I hope it isn't too much of a burden to us.

25X1A9a [REDACTED] I'd like to comment on this question of moving people back and forth. The other day we had a meeting with representatives of the Central Cover Staff and Office of Security as a prelude to going to the Commission, concerning how to approach the Commission to get the money back on those who will be designated as participants in the system . . . . . with the problems that will be involved in handling the [REDACTED] names in and out of the Commission. I only mention this as illustrative of a point. If we are to move these people back and forth, and back and forth--

MR. ECHOLS: I just don't think you should consider that.

25X1A9a [REDACTED] Every time we do this we are exposing these names again as a security problem, to go in and out of the Commission. I agree we have a money problem here, but I don't think money is the objective -- the problem is to get people where they should be. But I do think there should be

some regard given to the amount of movement for the benefit of the individual as well as his own cover and security status with us. The more we bandy his name back and forth the more we have to expose him unduly.

MR. ECHOLS: Well, I would think the individual who is under real cover would have no trouble whatsoever meeting these requirements. He's the guy that's going to have more qualifying service--

MR. WARFIELD: I think domestic service might be qualifying if he was under cover the whole time --

MR. ECHOLS: These can be real problems, or security factors, if you will, but I hope it's a theoretical problem and not a factual one.

25X1A9a [REDACTED] --that you review this man every five years, and say on the 5th year he is no longer a participant. Well, he then qualifies some more and he gets his five years and he qualifies and gets back in. Then you start reviewing him again maybe because he still hasn't attained his 15 years total -- again there might be a possibility of his being disqualified and going back.

MR. ECHOLS: I can see the theoretical possibility, and I'm stuck with it.

25X1A9a [REDACTED] Is the [REDACTED] preposition "or" a typographical error? He has sufficient time prior to completion or 15 years -- is that an "of"?

25X1A9a [REDACTED] is a typographical error.  
[REDACTED] It changes the meaning considerably.

MR. ECHOLS: That we can correct.

MR. WARFIELD: We haven't finished with this language under here yet, have we? I'm talking about subparagraph b3 --

MR. ECHOLS: Let's read this whole thing then.

MR. WARFIELD: At the time of the 15th anniversary review -- does that mean within this 90 day period--

MR. ECHOLS: (Reading) "The employee will not be eligible to remain a participant unless at the time of the 15th anniversary review . . . . ."

(NOTE: Recording Secretary took a five minute break at this point.)

25X1A9a [REDACTED] Then a JOT who has been on board for four years, if you are going to review his folder today, if he has just done one month overseas you can designate?

MR. ECHOLS: Yes.

25X1A9a [REDACTED] • You can designate him immediately after . . . . .

MR. ECHOLS: Fine. Fine. We hope he stays there for the rest of his career.

Now, I think Paul would like to get down to cases. I think Harry would like to get down to cases. If there is enough understanding I too would like to get these initial rosters out and let people start working with them and see what bugs come out of it.

25X1A9a [REDACTED] I hate to keep pounding on this, but the only thing that bugs me on it, without writing another word, unless in addition we try to give this a little better public relations -- but, as I say, the only thing that stops me is when the time comes to ask the man to sign this thing, and if we can only make a decision here as to what guidance we give the man in the field - the supervisor - when the fellow says, "I don't think I'll sign this thing." Now if we can say to him: "Well, fine -- send it in -- and I don't know what the disposition will be" -- okay -- and we defer a decision as to what we will do until we see whether we get

300 of these or three of these.

MR. WARFIELD: Why don't you let him stay out of the system?

25X1A9a [REDACTED] Okay -- that is a [REDACTED] decision. There is something about signing that thing that makes it sound optional.

25X1A9a [REDACTED] Why don't we start with a few voluntary cases--

MR. WARFIELD: I expect when some of the area chiefs and

branch chiefs (explain this), I expect people are going to clamor to get in.

25X1A9a [REDACTED] Would you clarify two points. If indeed the individual may elect after 15 years to stay in or stay out of this system that takes most of the sting out of the initial decision to sign to go anyplace and enter the system.

MR. ECHOLS: I believe that they will all elect to stay in provided they have that last pre-retirement option. I may be wrong.

25X1A9a [REDACTED] I think this is an illusion -- so just assuming that you are not right, Emmett, if the law and the policy will permit the individual to in fact elect not to stay in as well as to stay in -- and, in that connection, what is the meaning of the second part of the sentence - "and this decision is not subject to the approval of the Director" -- why is that there?

MR. ECHOLS: That is related to the [REDACTED] election, "I choose to stay in this system for the duration of my employment in the Agency" -- the Director cannot kick him out of the system.

25X1A9a [REDACTED] Now may I ask if the converse of this, is this equally free from approval or disapproval of the Director? I think this is a key decision we've got to get before we go into this thing -- because if you get that one, and it's nice and clear -- even if you agree he makes it at 15 years, or some other date, and can't jump out and back and forth when approaching his 60th birthday -- if you can get that one made, and made clear, I don't think you will have any trouble getting this whole thing on the tracks.

MR. ECHOLS: I couldn't in good conscience, Jim, and I don't think you would either, [REDACTED] suggest to the Director that he adopt an interpretation

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or is subject to an interpretation which would permit individuals to defeat a major argument that the Director made in getting this system from the Congress, and that is that he must be able to manage the attrition of this group of people to the extent necessary -- and this was testified to.

25X1A9a [REDACTED] But he has that authority irrespective of whether they're in the system or not.

MR. ECHOLS: He asked for this retirement system to facilitate that ability. And in my opinion the Director would be in a most ambiguous position if he then turned around and said, "But I'm going to give individuals the option to sidestep this." That doesn't make sense.

25X1A9a [REDACTED] There is your key issue right there -- and I think that is the one that has to be decided.

25X1A9a [REDACTED] Your point is anyone who objects to signing it if you tell him after 15 years you can elect to get out, this should swing him over to a willingness to join?

25X1A9a [REDACTED] I think anybody, with that caveat--

25X1A9a [REDACTED] It's an anniversary -- do you read this as something

he does when he reaches his 15th year? What about the fellow who has passed 15--

25X1A9a [REDACTED] That is that last paragraph - those already in the Agency, how the Act will be applied to them. I think you have to have one interpretation for them, and then you adopt a program from now on. When they get to that 15th anniversary this is the second confrontation between the individual and the firm as to whether he is still ready, willing, and able to undertake this kind of service.

25X1A9a [REDACTED] Also, at the outset you said the use of the word "elect" to you meant there is a choice, but you are not now saying--

MR. ECHOLS: I don't know what the interpretation is going to be. I know the General Counsel thinks there's only one choice -- he can choose to remain in permanently, and we can't take him out--

25X1A9a [REDACTED] Emmett, you see, you have among that group

those who are no longer participants -- any man you review at the end of the 15th year who hasn't got his 60 months, he is immediately put out of the system. When he is put out of the system he has to have some system under which he retires, so it has to be Civil Service. Now, then, I interpret this statement -- all those discussions that took place at the House, as giving that particular man who has got 15 years of service, five years of qualified service, something special, and that allows that man to make that election at that point. Because what difference does it make if you are reviewing a man's folder at the end of 15 years and he's got only 4 years and 11 months, and you say, "Mr., you're going out" - he goes out of the system. Now they're both good men. Now you're letting that latter fellow stay on until 62, but you're not letting the fellow that the Congressmen wanted to have an election - you're saying to him, "you've got to retire under the Civil Service retirement" --

MR. ECHOLS: I don't (see any problem), for psychological reasons if nothing else; and secondly, I think most people will elect to stay in the system.

25X1A9a [REDACTED] I trust the record will reflect your first and clear statement on this.

MR. ECHOLS: There are some jokers in this law and in this regulation that I'm sure you don't understand, because I'm going to have a hard time explaining them to you.

Could we make as a major piece of business for the coming week a study of the rest of the regulation, so that you will have other questions, and we can get this thing buttoned down.

25X1A9a [REDACTED] I think for two or three weeks we ought to meet more than once a week.

25X1A9a [REDACTED] That would be difficult for some of us.

25X1A9a [REDACTED] It may be difficult for all of us, but I think we should do it.

25X1A9a [REDACTED] I don't know [REDACTED] about the others, but I would like

to take one day and [REDACTED] devote that whole day to it, rather than have daily meetings.

25X1A9a

[REDACTED] as a compromise take one afternoon.

How about all afternoon next Thursday?

MR. ECHOLS: All right, starting at 1:00 o'clock.

. . . . The meeting adjourned at 5:55 p.m. . . . .

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